

STATE OF CALIFORNIA
ENVIRONMENTAL PROTECTION AGENCY
DEPARTMENT OF TOXIC SUBSTANCES CONTROL

In the Matter of:

Former Commonwealth Aluminum
2211-2307 East Carson
Carson, California

Proponent:
ProLogis Exchange CA (7) LLC
4545 Airport Way
Denver, CO 80239

Docket No. RPDD07/08SCC-4380

Agreement for Facility-Initiated
Corrective Action

Health and Safety Code
Section 25187

The California Environmental Protection Agency, Department of Toxic Substances Control (DTSC) enters into this Agreement for Facility-Initiated Corrective Action (Agreement) with ProLogis Exchange CA (7) LLC, a Delaware limited liability company (Proponent) and agree as follows:

1. Facility. The property which is the subject of this Agreement is located at 2211 – 2307 East Carson Street in Carson, Los Angeles County, California (Facility). The Facility was engaged in hazardous waste management pursuant to Conditional Authorization issued by DTSC on December 14, 1994. The Facility is identified by Los Angeles County Assessor's Parcel Numbers 7316-026-029, 7316-026-030 and 7316-026-031 and is approximately 22 acres in size. The surrounding area consists of commercial/industrial buildings. A Facility diagram and a Facility location map are attached as Exhibits A and B.
2. Jurisdiction. This Agreement is entered into by DTSC and Proponent pursuant to Health and Safety Code section 25187 which authorizes DTSC to require corrective action to address a release or threatened release of any hazardous waste or hazardous constituent at or from the Facility. Proponent waives any right to request a hearing on this Agreement.
3. Purpose. The purpose of this Agreement is for Proponent to conduct corrective action to address a release or threatened release of any hazardous waste or hazardous constituent at or from the Facility under the oversight of DTSC. The purpose of this Agreement is also for DTSC to obtain reimbursement from Proponent for DTSC's oversight costs incurred pursuant to this Agreement.
4. Owner and/or Operator. The Facility is owned by ProLogis Exchange CA (7) LLC, a Delaware limited liability company.
5. Hazardous Waste and Hazardous Constituents. Based on the extensive

existing environmental characterization available to DTSC and Proponent, the Facility is or may be contaminated with hazardous waste and/or hazardous constituents, including petroleum hydrocarbons, volatile organic compounds, and metals.

6. Scope of Work and DTSC Oversight. DTSC shall review and provide Proponent with written comments on all Proponent's deliverables as described in and to the extent required by Exhibit C (Scope of Work) and other documents applicable to the scope of the project. DTSC shall provide oversight of field activities, including sampling and remedial activities, as appropriate. Proponent agrees to perform the work required specifically by this Agreement. Proponent shall perform the work in accordance with applicable local, state and federal statutes, regulations, ordinances, rules and guidance documents, including applicable waste discharge requirements issued by the State Water Resources Control Board or a California regional water quality control board.

7. Additional Activities. DTSC and Proponent may amend this Agreement to include additional activities in accordance with Paragraph 17 of this Agreement. If DTSC expects to incur additional oversight costs for these additional activities, it will provide an estimate of the additional oversight costs to Proponent.

8. Endangerment During Implementation.

8.1. Proponent shall notify DTSC's Project Manager immediately upon learning of any condition that may pose an immediate threat to public health or safety or the environment. Within seven days of the onset of such a condition, Proponent shall furnish a report to DTSC, signed by Proponent's Project Manager, setting forth the conditions and events that occurred and the measures taken in response thereto.

8.2. In the event DTSC determines that any activity (whether or not pursued in compliance with this Agreement) may pose an imminent or substantial endangerment to the health or safety of people at the Facility or in the surrounding area or to the environment, DTSC may order Proponent to stop further implementation of this Agreement for such period of time as may be needed to abate the endangerment. DTSC may request that Proponent implement interim measures to address any immediate threat or imminent or substantial endangerment.

9. Access. Proponent shall provide, and/or obtain access to the Facility and take all reasonable efforts to obtain access to offsite areas to which access is necessary to implement the Agreement. Such access shall be provided to DTSC's employees, contractors, and consultants at all reasonable times. Nothing in this paragraph is intended or shall be construed to limit in any way the right of entry or inspection that DTSC or any other agency may otherwise have by operation of law.

10. Sampling, Data and Document Availability. When requested by DTSC, Proponent shall make available for DTSC's inspection, and shall provide copies of, all data and information concerning contamination at or from the Facility, including technical records and contractual documents, sampling and monitoring information and

photographs and maps, whether or not such data and information was developed pursuant to this Agreement to the extent such information has not already been provided to the California Regional Water Quality Control Board – Los Angeles Region, or DTSC. For all final reports, Proponent shall submit one hard (paper) copy and one electronic copy with all applicable signatures and certification stamps as a text-readable Portable Document Formatted (pdf) file Adobe Acrobat or Microsoft Word formatted file.

11. Record Preservation. Proponent shall retain, during the implementation of this Agreement and for a minimum of six years after its termination, all data, reports, and other documents that relate to the performance of this Agreement. If DTSC requests that some or all of these documents be preserved for a longer period of time, Proponent shall either comply with the request, deliver the documents to DTSC, or permit DTSC to copy the documents at Proponent's expense prior to destruction.

12. Notification of Field Activities. Proponent shall inform DTSC at least seven days in advance of all field activities pursuant to this Agreement and shall allow DTSC and its authorized representatives to take duplicates of any samples collected by Proponent pursuant to this Agreement.

13. Project Managers. Within 14 days of the effective date of this Agreement, DTSC shall designate a Project Manager and shall notify Proponent in writing of the Project Manager selected. Proponent has designated Nick Loizeaux and Bitu Tabatabai as its project managers for this Agreement. Each Project Manager shall be responsible for overseeing the implementation of this Agreement and for designating a person to act in his/her absence. All communications between DTSC and Proponent, and all notices, documents and correspondence concerning the activities performed pursuant to this Agreement shall be directed through the Project Managers. Each party may change its Project Manager with at least seven days prior written notice.

14. Proponent's Consultant and Contractor. All work performed pursuant to this Agreement shall be under the direction and supervision of a professional engineer or professional geologist, licensed in California, with expertise in hazardous waste site cleanup. Proponent's Project Manager, contractor or consultant shall have the technical expertise sufficient to fulfill his or her responsibilities. Within 14 days of the effective date of this Agreement, Proponent shall notify DTSC's Project Manager in writing of the name, title, and qualifications of the professional engineer or professional geologist and of any contractors or consultants and their personnel to be used in carrying out the work under this Agreement in conformance with applicable state law, including but not limited to, Business and Professions Code sections 6735 and 7835.

15. DTSC Review and Approval. All work performed pursuant to this Agreement is subject to DTSC's review and approval. If DTSC determines that any report, plan, schedule or other document submitted for approval pursuant to this Agreement fails to comply with this Agreement or fails to protect public health or safety or the environment, DTSC may (a) return comments to Proponent with recommended changes and a date by which the Proponent must submit to DTSC a revised document incorporating,

responding to or addressing the recommended changes; or (b) modify the document in consultation with Proponent and approve the document as modified. All DTSC approvals and decisions made regarding submittals and notifications will be communicated to Proponent in writing by DTSC's Branch Chief or his/her designee. No informal advice, guidance, suggestions or comments by DTSC regarding reports, plans, specifications, schedules or any other writings by the Proponent shall be construed to relieve Proponent of the obligation to obtain such written approvals.

16. Payment

16.1. Proponent agrees to pay (1) all costs incurred by DTSC in association with preparation of this Agreement, and for oversight activities, including review of documents, conducted prior to the effective date of this Agreement, and (2) all costs incurred by DTSC in providing oversight pursuant to this Agreement, including review of the documents described in Exhibit C and associated documents, and oversight of field activities. Costs incurred include interest on unpaid amounts that are billed and outstanding more than 60 days from the date of the invoice. An estimate of DTSC's oversight costs is attached as Exhibit D. It is understood by the parties that Exhibit D is an estimate and cannot be relied upon as the final cost figure. DTSC may provide an updated or revised cost estimate as the work progresses. DTSC will bill Proponent quarterly. Proponent agrees to make payment within 60 days of receipt of DTSC's billing. Such billings will reflect any amounts that have been advanced to DTSC by Proponent.

16.2. In anticipation of oversight activities to be conducted, Proponent shall make an advance payment of \$12,500 to DTSC no later than 10 days after this Agreement is fully executed. It is expressly understood and agreed that DTSC's receipt of the entire advance payment as provided in this paragraph is a condition precedent to DTSC's obligation to provide oversight, review of or comment on documents. If the advance payment exceeds DTSC's final costs, DTSC will refund the difference within 120 days after the performance of this Agreement is completed.

16.3. All payments made by Proponent pursuant to this Agreement shall be by check payable to the "Department of Toxic Substances Control", and bearing on its face the project code for the Facility (# 550350 (48WP)) and the docket number of this Agreement. Upon request by Proponent, DTSC may accept payments made by credit cards. Payments by check shall be sent to:

Department of Toxic Substances Control
Accounting Office
1001 I Street, 21st Floor
P.O. Box 806
Sacramento, California 95812-0806

A photocopy of the check shall be sent concurrently to DTSC's Project Manager.

16.4. DTSC shall retain all cost records associated with the work performed under this Agreement as may be required by state law. DTSC will make all documents that support DTSC's cost determination available for inspection upon request in accordance with the Public Records Act, Government Code section 6250 et seq.

17. Amendments. This Agreement may be amended in writing by mutual agreement of DTSC and Proponent. Such amendment shall be effective the third business day following the day the last party signing the amendment sends its notification of signing to the other party. The parties may agree to a different effective date.

18. Incorporation of Exhibits, Plans and Reports. All exhibits are incorporated into this Agreement by reference. All plans, schedules and reports that require DTSC's approval and are submitted by Proponent pursuant to this Agreement are incorporated in this Agreement upon DTSC's approval.

19. Reservation of Rights. DTSC reserves all of its statutory and regulatory powers, authorities, rights, and remedies under applicable laws to protect public health or the environment, including the right to recover its costs incurred therefore. Proponent reserves all of its statutory and regulatory rights, defenses and remedies available to Proponent under applicable laws.

20. Non-Admission of Liability. By entering into this Agreement, Proponent does not admit to any finding of fact or conclusion of law set forth in this Agreement or any fault or liability under applicable laws.

21. Proponent Liabilities. Nothing in this Agreement shall constitute or be considered a covenant not to sue, release or satisfaction from liability by DTSC for any condition or claim, including but not limited to, claims arising from Proponent's past, current, or future operations or ownership of the Facility.

22. Government Liabilities. The State of California or DTSC shall not be liable for any injuries or damages to persons or property resulting from acts or omissions by Proponent or by related parties in carrying out activities pursuant to this Agreement, nor shall the State of California or DTSC be held as a party to any contract entered into by Proponent or its agents in carrying out the activities pursuant to this Agreement.

23. Third Party Actions. In the event that Proponent is a party to any suit or claim for damages or contribution relating to the Facility to which DTSC is not a party, Proponent shall notify DTSC in writing within 10 days after service of the complaint in the third-party action. Proponent shall pay all costs incurred by DTSC relating to such third-party actions, including but not limited to responding to subpoenas.

24. California Law. This Agreement shall be governed, performed and interpreted under the laws of the State of California.

25. Parties Bound. This Agreement applies to and is binding, upon Proponent and upon DTSC and any successor agency that may have responsibility for and jurisdiction over the subject matter of this Agreement.

26. Effective Date. The effective date of this Agreement is the date when this Agreement is fully executed. Except as otherwise specified, "days" means calendar days.

27. Representative Authority. Each undersigned representative of the party to this Agreement certifies that she or he is fully authorized to enter into the terms and conditions of this Agreement and to execute and legally bind the party to this Agreement.

28. Counterparts. This Agreement may be executed and delivered in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, but such counterparts shall together constitute one and the same document.

29. Termination and Satisfaction. The provisions of this Agreement shall be deemed satisfied upon the execution by both parties of an Acknowledgment and Satisfaction (Acknowledgment). DTSC shall prepare the Acknowledgment for Proponent's signature. The Acknowledgment will specify that Proponent has demonstrated to the satisfaction of the DTSC that the terms of this Agreement, including payment of DTSC's costs, have been satisfactorily completed. The Acknowledgment will affirm Proponent's continuing obligation and agreement to comply with the DTSC-approved Operation and Maintenance Plan, if required, and to preserve all records after the rest of the Agreement is satisfactorily completed.

[illegible]

Department of Toxic Substances Control

Original signed by John Geroch for Date: 8-28-07

Steve Lavinger, Chief
Tiered Permitting Corrective Action Branch
Hazardous Waste Management Program
Department of Toxic Substances Control

~~ProLogis-Exchange CA (7) LLC,
a Delaware limited liability company~~

BY: Original signed by John R. Rizzo Date: 8-28-07

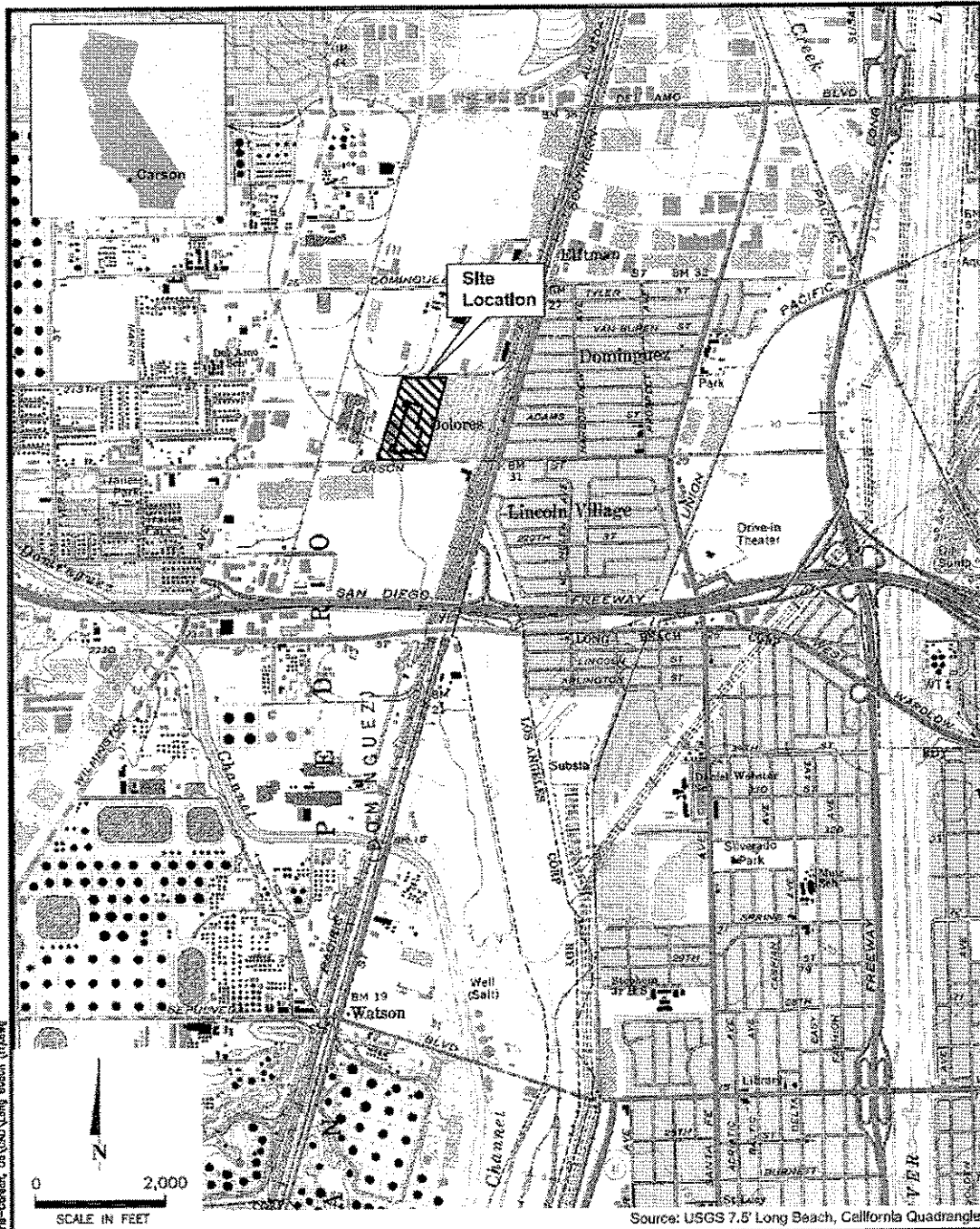
ProLogis 2211 Carson Street, LLC,
a Delaware limited liability company,
its sole member

ProLogis
a Maryland real estate investment trust,
its sole member

By: Original signed by John R. Rizzo Date: 8-28-07

Name: Managing Director Global Development
Title:

EXHIBIT A - SITE LOCATION MAP



I:\Carson\GIS-390-M\Aerials-Carson, Ca\GIS\Long Beach (01).fig

IRIS ENVIRONMENTAL
1438 Webster Street, Suite 302
Oakland, California 94612
Ph: (510) 534-4747 Fax: (510) 834-4199

Site Location Map
2211 East Carson Street
Carson, California

Figure
1

Drafter: ESH

Date: 1/8/07

Contract Number: 06-390-M

EXHIBIT B-SITE DIAGRAM

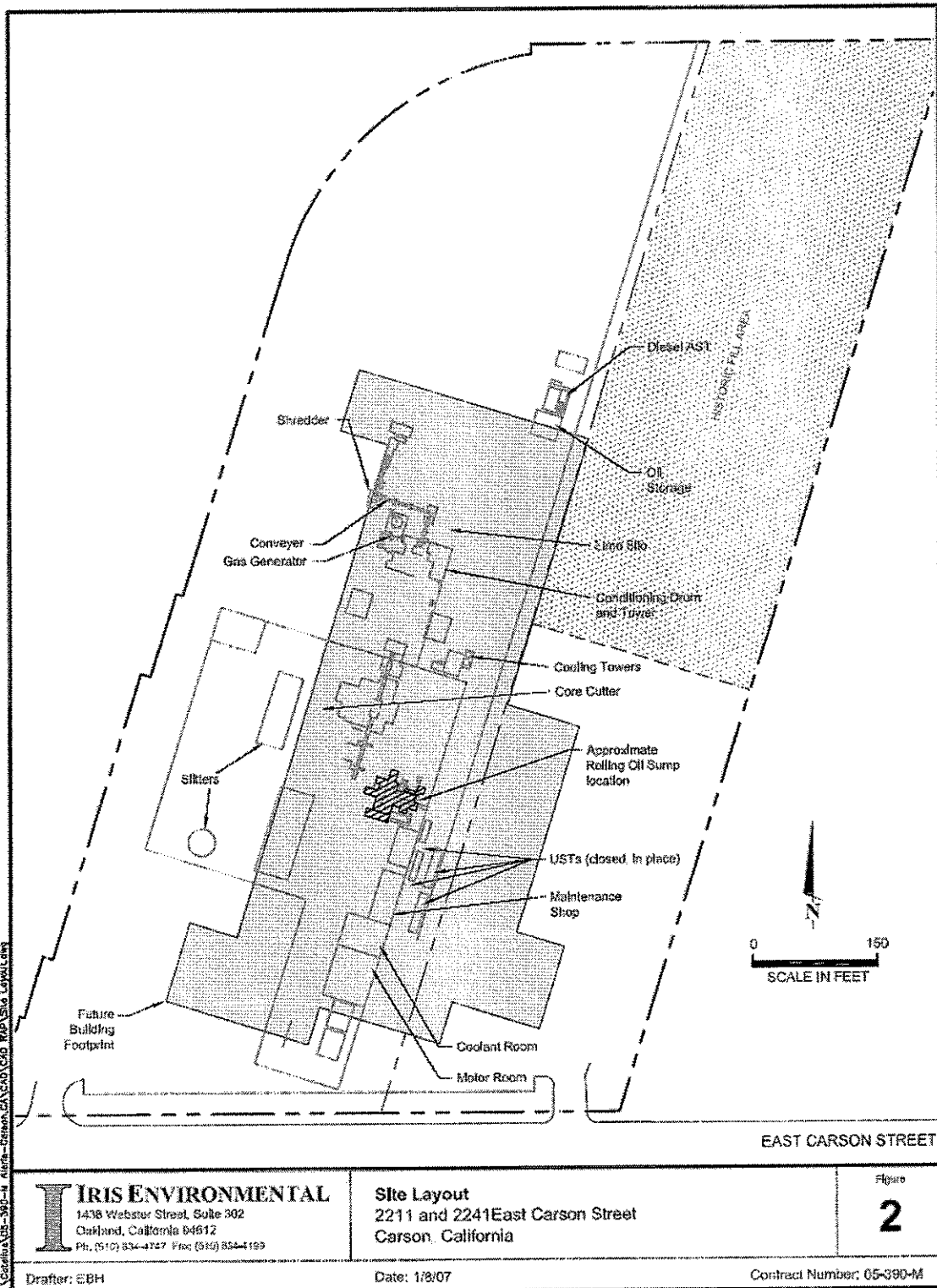


EXHIBIT C - SCOPE OF WORK

1. Submittal of Existing Data

Proponent has submitted previously to the Board and DTSC all existing data and background information, including copies of any reports, plans, sampling data and monitoring data, related to the hazardous waste management activities, release of hazardous waste, characterization and cleanup of the Facility required under this Agreement.

2. Scoping Meeting and Conceptual Site Model

On June 26, 2007, Proponent and DTSC conducted a scoping meeting to discuss the corrective action process, including the requirements of the California Environmental Quality Act (CEQA) and the public participation activities.

Proponent will develop a preliminary project-specific Conceptual Site Model (CSM). The CSM will be used to identify the most resource-effective means to fill the data and information gaps to an agreed-upon level of certainty to support the evolution of the CSM. The CSM shall have a concise depiction of the site using visual geologic representations of the contamination in order to demonstrate the degree of certainty to which the site has been characterized. The CSM shall also present hypotheses about the types of contaminants and their sources, migration pathways, receptors and exposure routes.

3. Project Schedule

Proponent shall develop a project schedule that establishes mutually agreed-upon timelines for the submittal and review of reports and other key documents and an optimal sequencing of activities to most efficiently reach the project goals (Project Schedule).

4. Corrective Measures Proposal

If DTSC determines that corrective measures are required, DTSC will notify Proponent in writing. If required, Proponent shall submit a Corrective Measures Proposal (CMP) to DTSC for approval in accordance with the Project Schedule or a schedule as otherwise agreed to by DTSC and Proponent.

The CMP shall be developed on the basis of the CSM and in consultation with DTSC to achieve the project goals identified during the scoping meeting. The CMP shall provide a detailed description of the proposed corrective measures to be implemented and how the proposed cleanup standards and points of compliance are protective of human health and the environment. The CMP shall provide the basis and justification for the proposed corrective measures. The CMP will include a health risk evaluation and risk-based screening levels for the contaminants. The CMP shall provide the basis and

justification for the proposed corrective measures. The CMP shall contain an analysis of at least two other alternative corrective measures considered before proposing the preferred corrective measures. The CMP shall include an implementation schedule.

5. Health and Safety Plan

Concurrent with the submittal of any workplan and the CMP, Proponent shall submit to DTSC a Health and Safety Plan or an addendum to the Health and Safety Plan for any proposed work to be conducted pursuant to this Agreement.

6. Remedy Selection

DTSC will provide the public with an opportunity to review and comment on the CMP and DTSC's justification for the selection of the proposed corrective measures. DTSC may select the proposed corrective measures or require Proponent to revise the CMP based upon the comments received.

DTSC will notify Proponent of the final corrective measures selected by DTSC in the *Final Decision and Response to Comments*. The notification will include DTSC's reasons for selecting the corrective measures.

DTSC may require Proponent to establish a financial assurance mechanism for implementing the selected corrective measures and any required operation and maintenance activities. The mechanism shall be established to allow DTSC access to the funds to conduct the selected corrective measures and any required operation and maintenance activities if Proponent is unable or unwilling to do so.

7. Operation and Maintenance Plan

If operation and maintenance activities are required for the final remedy for the Facility, Proponent shall submit an Operation and Maintenance (O&M) Plan to DTSC for approval in accordance with the Project Schedule or a schedule as otherwise agreed to by DTSC and Proponent.

8. Land Use Covenant

If a Land Use Covenant (LUC) is required as part of the final remedy for the Facility pursuant to California Code of Regulations, title 22, section 67391.1, Proponent shall sign and record the LUC as approved by DTSC in accordance with the Project Schedule or a schedule as otherwise agreed to by DTSC and Proponent.

9. Corrective Measures Completion Report

Proponent shall submit a Corrective Measures Completion Report to DTSC for approval in accordance with the Project Schedule or a schedule as otherwise agreed to by DTSC and Proponent. Proponent shall confirm in the Corrective Measures Completion Report

that the O&M Plan, if required, has been approved by DTSC and the LUC, if required, has been fully executed and recorded. Concurrent with DTSC's approval of the Corrective Measures Completion Report, DTSC shall prepare the Acknowledgment and Satisfaction for Proponent's signature pursuant to Paragraph 29 of the Agreement.

10. Public Participation

Concurrent with the submittal of any workplan and the CMP, Proponent shall submit to DTSC a Community Profile or an addendum to the Community Profile. Based on the information provided in the Community Profile and the level of community interest, DTSC may conduct a public hearing to obtain comments during the public comment period. If required by DTSC, Proponent shall prepare and submit to DTSC for approval Fact Sheets that summarize the CMP. Draft copies of the fact sheets shall be submitted to DTSC for review and approval. Proponent shall mail the DTSC-approved Fact Sheets to all individuals on a mailing list established pursuant to California Code Regulations, title 22, section 66271.9(c)(1)(D), within 15 days of receipt of DTSC's written approval.

11. California Environmental Quality Act

DTSC must comply with the California Environmental Quality Act (CEQA) whenever any activity required by this Agreement is a project subject to CEQA. Proponent shall provide all information necessary to facilitate any analysis and preparation of documents required by CEQA.

Project Name: Former Commonwealth Aluminum - Prologis Exchange CA (7) LLC

EXHIBIT D - COST ESTIMATE

* Hourly Rates are DTSC Contract Estimation Rates. (Hourly Rate + Indirect @ 164.15%)
+ Class Name: Listed are the most commonly used Class Names